ARTDE FINANCE

White paper

May 2023

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1. ABSTRACT

Understanding what makes the art industry unique from others is crucial to creating a decentralized art platform.
The art and collectibles, the primary products of the art industry, have unique values for each item and are non-fungible unlike standardized industrial goods or stocks.

Moreover, it's impossible to remove aesthetic consideration, which is often subject to the audience and critics' interpretations. Cultural value is an inevitable component to the valuation of the art and collectibles.

By this reasoning, Art de Finance's goal is to unite digital art, commonly represented in NFT form, with physical art and build a community where producers, artists, galleries, and consumers communicate in a common space.

Through Art de Finance, physical art can be efficiently verified using blockchain technology and traced in its history, allowing transparent valuation standards to be introduced to digital art.

Art de Finance will build a platform that doesn't compete, but rather mutually benefits the market players. On the platform, galleries and artists will not only gain global publicity and establish new artwork sales channels but also form fandoms by building communities. In addition, collectors will secure a market where they can easily browse both domestic and foreign works and trade them.

Art de Finance will establish itself as a reliable partner through stable NFTs pegged to real objects and certificates of authenticity using blockchain technology and will maximize user experience and asset liquidity through decentralized finance and NFTFi.

Art de Finance will contribute to the development of the art industry and the popularization of art by providing cultural and educational content to users for aiding in understanding its value, in addition to generating economic benefits.

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2. INDUSTRY

2.1 Physical Art Market

After experiencing the biggest recession in 10 years in 2020, the global art market recovered strongly in 2021 with total sales reaching $65.1 billion. This represents a 29% increase in sales compared to 2020, and the value also exceeds the pre-pandemic level of 2019.

After the pandemic, most galleries, auction houses, and art fairs have actively taken advantage of digital sales. As online art markets have become more in demand, easily accessible social media channels such as Instagram and online viewing rooms have established themselves as noteworthy purchasing channels. Such channels have become a trend that captured the attention of the millennial generation, and this can also be interpreted as a change in the market-leading age group from boomers and Gen X to the millennials.

Millennials are most motivated by social influence and emotional value when purchasing art. This can be seen as the influence of social media, which allows and encourages communication with others in real time. Therefore, millennials have shown a great deal of interest in digital arts that can be shared and appreciated on social media more easily and quickly than a physical art.

2.2 Digital Art Market

Although it doesn't require storage or transportation, due to its nature of being comprised of data, digital art has a critical flaw. All digital artwork is reproducible by copying and pasting, making it impossible to prove copyright or ownership. To compensate for such disadvantages, NFT, a non-fungible token using blockchain technology, was proposed as a solution.

The NFT market grew exponentially until 2021 but has since been experiencing a decline starting the second quarter of 2022. However, this can be interpreted as an overall decline due to the external influences in the macro market, not a decrease in the attractiveness of the NFT market.

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Due to the slump in the virtual asset market, the purchasing power of users has decreased, and the trading volume has decreased accordingly. However, the number of traders shows a small decrease compared to the trading volume, and the number of market participants has held steady.
This implies the possibility of a rapid return to public's interest in NFT market

2.3 Problems

“If an artist does not belong to a gallery, their field of activity is limited, and there’s not enough space to communicate with collectors.”
The role of galleries in the art market is crucial. However, the reality is that most artists cannot belong to galleries, and new artists are often not allowed to meet prospective customers as well as to build awareness until they belong to a gallery.

“Most new users lack an understanding of art, making appropriate art valuation difficult.”
On the other hand, the digitalization of the art industry has made it easier for the general public to access, but the barriers to entry into the art market are still high. According to Frieze art fair’s survey, the answer that accounted for the highest percentage of “Reasons not to buy art” was ‘I don’t know which art to buy’.

“It is difficult to manage and store after purchasing the artwork.”
In some cases, artworks are vulnerable to moisture, temperature, etc., and there is also a risk of theft. Because of this, artworks need to be managed by experts. There have been more than a few cases in which prospective art customers felt burdened by this cost, and eventually decided to forgo purchasing the artwork.

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3. VISION

Art de Finance seeks to develop a digital art infrastructure that can support the rapidly changing trends in the art industry. We will use blockchain technology to solve the problems demanded by the art market and form an art platform that supports passionate new artists so they can enter the art market based on the Web 3.0 philosophy.
The core functions of Art de Finance are as follows:

3.1 Digital Art

“Artiside”, a compound word for “Artist” and “Be by your side”, refers to a place where people who want to support artists gather and it is a Web 3.0 Social Curation Platform being built by Art de Finance. Through Artiside, emerging artists can produce quality work with the support of the community, while the Artiside community forms a virtuous cycle in which profits are distributed according to the activation of the platform.

Artiside’s two pillars:

“Seeding”

Artiside supports ‘Seeding’, a unique staking system that can connect emerging artists with the community. Seeding is similar to the general DeFi staking method, but decentralized sponsorship can be provided to emerging artists with high potential.

“Red Label”

The term “Red Label” is used as a positive sign that “the artwork has been sold.” The term has been adopted to anticipate the potential value of the artist’s artwork and support it through expressing interest. Artists can reach a high number of Red Labels and gain more exposure as top artists.

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3.2 Physical Art

Physical artworks, in addition to NFT/Digital Art, are available on the Art de Finance platform. Unlike digital artworks, physical artworks require additional procedures.

To register a physical artwork, a certificate of authenticity, Provenance, must be submitted to the Art de Finance platform. Once proof of authenticity has been verified, the actual artwork will be stored in an Art Storage in partnership with Art de Finance.

The onboarded physical work is pegged to the NFT with a guarantee and has an exchange value of 1:1. When this guaranteed NFT is sold on the marketplace, ownership will be transferred to the new purchaser.

Art de Finance also offers live streaming services for art exhibitions, along with the marketplace and social curation options. The purpose of live streaming is to make it easier for community members to access art through exhibition tours they wish to experience by using media channels such as YouTube.

Simultaneously, live streaming of content was planned to create a symbiosis for artists, galleries, and communities through sharing a source of entertainment by forming a fandom for artists, who are the major providers in the art market.

3.3 Finance

Art de Finance plans to provide an 'NFT Loan' service for capital efficiency in the art NFT market based on Artiside social curation collected by the community. Social Curation mechanism enables collectors and creators to participate in NFT-backed loans through Defi protocols that would solve illiquidity problems for both physical art and NFT. One of the greatest advantages of NFT loans is that it's simple, transparent, and fast compared to traditional lending institutions. With our simple and secure lending protocols for physical art and NFT, Art de Finance will facilitate the convergence of the traditional art market and the crypto industry, promoting enhanced liquidity between them.

In addition, Art de Finance is building a platform that anyone can use, by reducing entry barriers that required network utility fees for dApp interaction, improving user experience (UX), and paying network fees to minimize user fatigue.

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4. Business Model

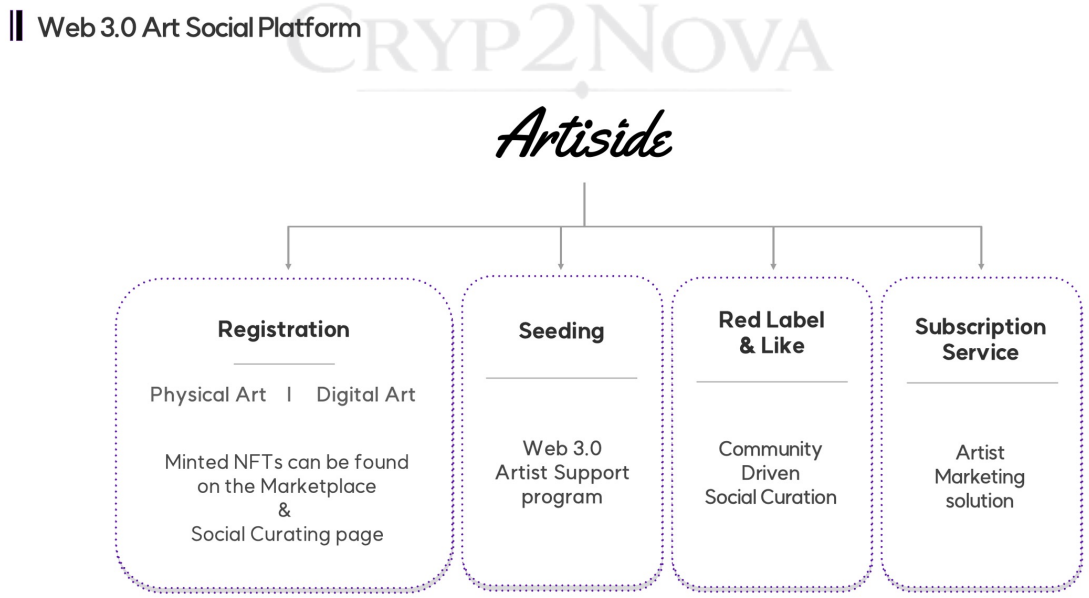
4.1 Web3 Art Social Platform

The emergence of NFTs, which are tamper-proof and guarantee digital ownership through blockchain, revolutionized the art market. In particular, the growth of the digital industry has entered a new phase as digital art can be produced, exhibited, and traded through blockchain without a centralized institution.

Due to a wide variety of factors and considerations such as ethnicity, age, and gender, establishing an objective value can be challenging. As such, curation is an essential component of the art industry. However, forming curation digitally can pose difficulties in reality.

Art de Finance is building an infrastructure tailored to the changes of the times. Based on the 'Artiside' platform, we want to provide Web 3.0 Social Curation. This allows the community to participate in the curation of digital art. Emerging artists can attempt to enter the art market based on direct/indirect support from the platform.

The main features of Artiside :



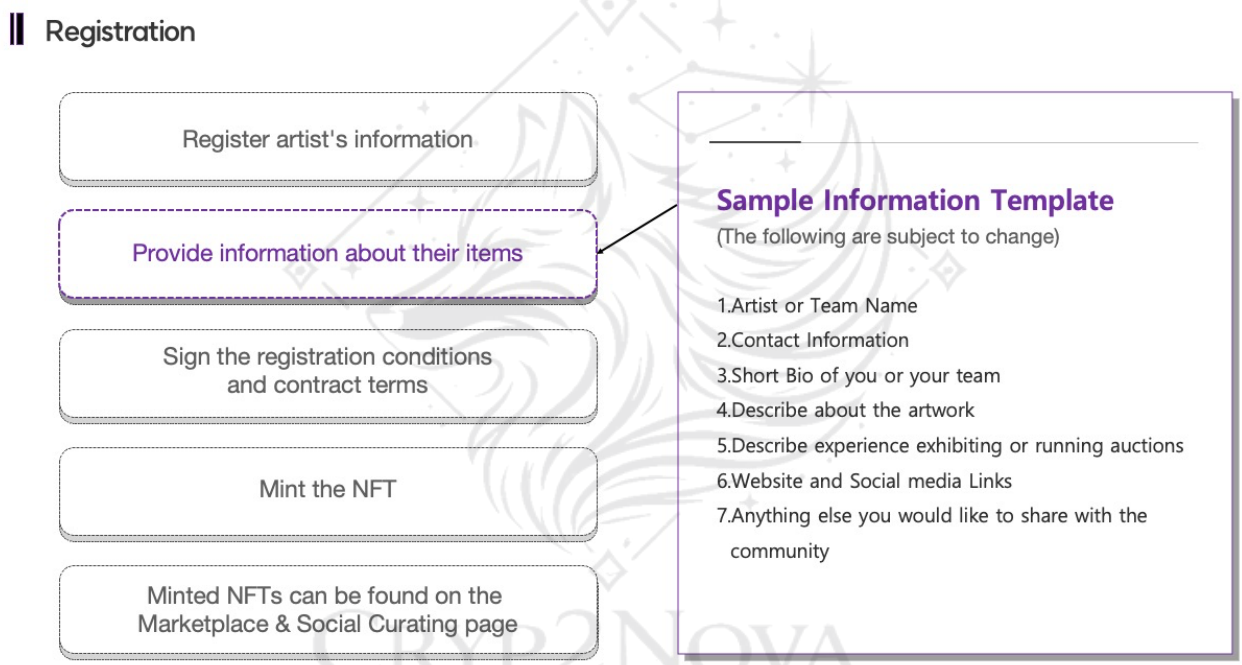
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4.1.1 Registration

The information on the artwork must be registered first to start the process.
Anyone who owns an artwork, either in a physical form such as a painting, or as an intangible digital asset such as NFT artwork and is willing to pay the (predetermined) minimum registration fee can start the registration process.

Artists (individuals or DAOs) who have decided to register must first enter their information on the Artiside platform. The platform can be used upon initial registration. To register a digital artwork, its basic information must be submitted along with images. In the case of digital art, the procedure is similar to the general NFT marketplace guidelines.



In the case of artists who have gained popularity through their previous work, they will attract the attention of the community along with users who will Seed them. However, new artists without a history of activity might experience difficulty gaining the community's interest. To address this, artists can appeal to the community by adding descriptions of their artistic style or perspective and they can gain influence through community activities to self-promote themselves and their work.

The kind of supplementary information that should be provided by the partner gallery (or the owner in case of self-registration) is not set in stone. However, essential information, including the artwork subject, artist, creation year, recent condition report, and previous trading history in any known art markets, is encouraged.

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The Art de Finance will provide a template of supplementary information as a reference.
Regarding the registration fee, each week a new minimum registration fee (MRF) is updated according to the formula.

$$\mathrm{MRF}_{\mathrm{next}} = \mathrm{MRF}_{\mathrm{Prev}} \times \left[1 + 0.2 \times \Theta\left(N_{\mathrm{reg}}^{\mathrm{last}} - 1.2 \times N_{\mathrm{reg}}\right) - 0.2 \times \Theta\left(N_{\mathrm{reg}}^{\mathrm{last}} - 0.8 \times N_{\mathrm{reg}}\right)\right]$$

$$\Theta(x) = 0, \text{ for } x < 0, \text{ and } (3)$$
$$1, \text{ for } x > 0. \ (4)$$

The MRF update formula is designed to dynamically adjust the MRF of the next period from the number of registrations in the previous period. If the number of registrations in the previous period is at least twenty percent larger (smaller) than the target number of registration, the rule increases (decreases) the MRF in the next period by twenty percent as the first (second) term in the square bracket of the update formula becomes non-zero. The MRF adjustments following the MRF update formula are expected to stabilize the number of registrations to be close to its target value.

After the registration, the owner has the right to de-register their items at any time. However, the registration fee paid at the beginning of the process is non-refundable.
Having a registration fee is crucial for securing the platform from an adversarial actor trying to disrupt the platform by registering meaningless information. However, the fee may result in the unexpected side effect that creative young artists would not be able to join the Art de Finance platform due to the unaffordability of the registration.

The Art de Finance foundation will organize a registration support program to remove the participation barrier created by the registration fee. The foundation will reserve a certain amount of the ADF from the initial issuance for the program so it can provide registration support for the selected artists. After a few years since the launch, the program is anticipated to evolve into the Art de Finance Artist Fellowship/Award program once enough funds have been raised from the voluntary supporters.

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Physical Art Registration Process

I. Owners of artworks and collectibles provide information about their items. (certificate of authenticity, sales history, medium).

II. The owner sets the registration conditions and contract terms. Since it is a physical art, an additional certificate of the state of the work must be submitted to the platform.

III. The owner mints the NFT to be used as a certificate. Minted NFTs can be found on the Marketplace & Social Curating page.

Digital Art Registration Process

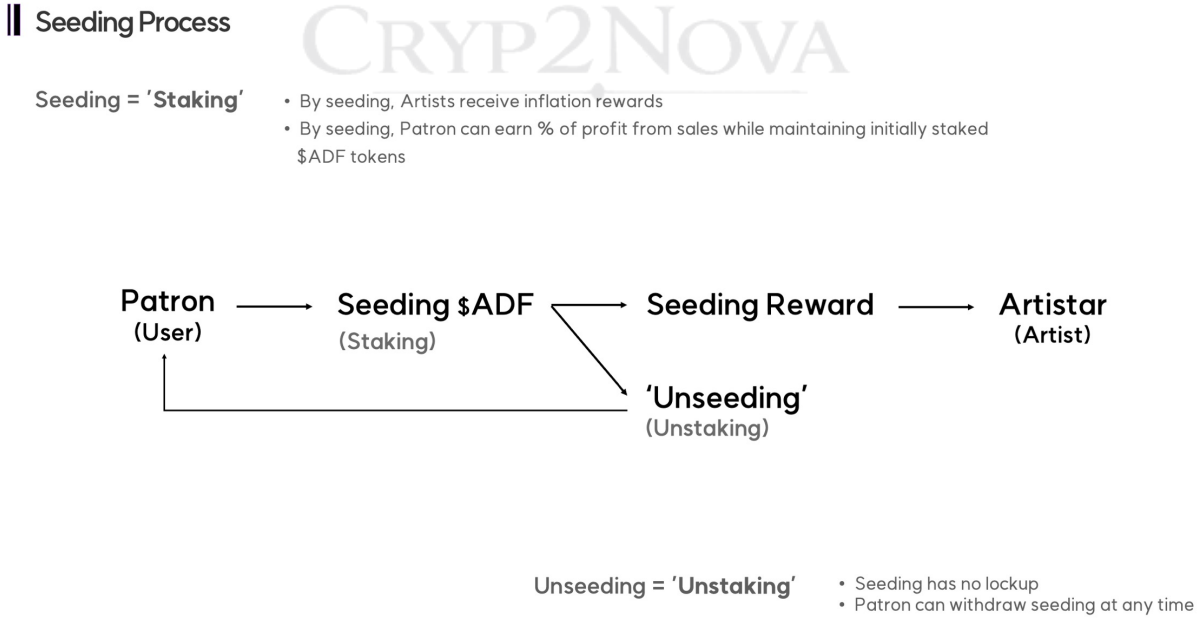
I. Artists registered on the platform provide image files and basic information (a narrative about the work) of the art they wish to register.

II. Artists mint digital work NFTs. The confirmation page is the same as “Physical Art”.

4.1.2 Seeding

Seeding refers to a method of entering a potential startup similar to sprouting from seed. In the art market, discovering unknown works of art, such as new artists, underrated artists, and artists from the Third World where media and infrastructure are not yet developed, can also be seen as a form of seeding. Artiside wants to call it “Seeding” by bringing the participation to the network called “staking” in the existing Web3.0 project to the art world. At this time, the staker who proceeded with the staking is referred to as “Seeder”.

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In the Artiside platform, there is a finite number of seats for the artists to take advantage of seeding pool program. Initially, the number of seats will be 20 but this will be adjustable by Art de Finance through ADF seeders selection and other factors such as artist popularity, total sales, etc.

If a Artistar(Compound word of Artist and Star) candidate has already taken the seeding seat, they will remain as a seeding artist (again, technically, the artist is assigned to a wallet address, and thus the artist is the one who has the private key of the address) until another Artistar candidate claims and rightfully takes over their seat.

On the occasion where a Artistar candidate receives more ADF than some current Artistar, they can claim the Artist seat and initiate the Takeover Process.

During the Takeover Process, the Artistar candidate who initiated needs to maintain his qualification status for a week to be successful. The qualification condition is to have at least one current Artistar holding less ADF than the candidate. If successful, the Artistar candidate can take the seat immediately and can be promoted to a new Artistar.

To support the activities of emerging artists who might experience difficulty gaining recognition, the platform itself plans to select additional artists and sponsor them with ADF Token rewards This system was intended to focus on fostering new artists.

The seeding reward process for the artist pool is as follows.

Seeding Process

I. Deposit $ADF into the artist pool of your choice.

II. The inflation reward of the $ADF token deposited by the Seeder is provided to the artist to support their artworks.

III. The platform is activated through the creative activities of sponsored artists.

IV. Seeders can unstake $ADF tokens at any time.

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4.1.3 Red Label & Like

Having knowledgeable and experienced curators helps to evaluate the value of digital art. However, it is difficult in reality to secure a large number of certified curators on the Web 3.0 platform, and reliance on curators can cause the issue of centralization in the curating process. Furthermore, if a curator fails to be secured, the operation of the platform becomes impossible.

Artiside will conduct social curation, a function that supports artwork, where $ADF holding patrons will participate to address such problems and provide a decentralized curation process. The evaluation of Digital Art formed through Social Curation can provide more decentralized and transparent curation through collective intelligence as the number of participating Patrons increases.

Artiside's social curation can be divided into 'Like' and 'Red Label'. In order to achieve as much collective intelligence as possible, the Like function is implemented in a manner that does not require separate expenses and wallet connections. Users participating in Artiside can interact simply by accessing the platform, and through this, they can express their interest in the artist's work.

In the case of Red Label, platform participants (users with technically linked wallets) can use $ADF, Artiside's utility token, to donate $ADF tokens toward interested artists.

Red Label & Like Process

I. Patron can browse works that have been registered and minted in the marketplace.
II. Patrons can like the artist page they enjoy and there is no additional cost.
III. $ADF can be used for sponsorship purposes under the Red Label feature, and the full amount goes to the artist.

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4.1.4 Subscription Service

Turning artists into influencers helps popularize the art and helps emerging artists with forming fandoms and staying active in the creative process. However, in the case of emerging artists, there are few opportunities to explain their work and form a community interested in art.

Artiside provides an all-in-one platform where such problems will be addressed and everything from promoting to selling can be achieved in one place. Artists who subscribe to the service can focus more on their work and the platform can build toward a sustainable environment.

4.2 Liview

Art de Finance will produce live-streaming content in collaboration with galleries, which are the key players in the physical art market.

Galleries that have been onboarded to the Art de Finance platform will submit their offline exhibitions as pre-proposals. Upon review by Art de Finance, the pre-proposal will be put on the proposal list.

Among the exhibitions on the proposal list, the proposal with the most votes upon voting will be selected as the “most popular exhibitions to visit”. Anyone who has staked in Art de Finance has voting rights and can cast their votes.

After live streaming, Art de Finance will create continuous exhibition marketing materials on social media such as Instagram and YouTube through Post Production and build a Contents-Driven Art Community.

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Live Streaming Process

I. A gallery onboarded to Art de Finance creates a pre-proposal for an upcoming exhibition. Pre-proposals are placed on the list of “most popular exhibitions to visit” proposals.

II. Proposal voting rights are held by Art de Finance Stakers, and the exhibition with the most votes is selected as the “most popular exhibitions to visit.

III. For exhibitions selected as the “most popular exhibitions to visit”, Location Scout and Live Shooting Coordination are conducted at the chosen galleries.

IV. After live streaming, content is reprocessed for YouTube, Shorts, and Instagram, and among the exhibited pieces, works listed for sale online can be purchased at Art de Finance's marketplace.

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4.3 Art de Finance Defi Platform

After physical arts or digital arts are registered through the Art de Finance Artiside platform, the NFT can be traded or collateralized in the Art de Finance Defi platform freely at the owner's disposition.

Art de Finance Defi platform's beauty is that artwork in the platform and be simultaneously listed on the marketplace/auction system and collateralized for lending. This is made possible because 1) both the marketplace/auction system and collateralized lending are provided in a single platform, and 2) all items in the Art de Finance Defi platform are properly curated and evaluated through the Artiside Social Curation platform (see the previous sections).

At the initial stage of the Art de Finance Defi platform, only the valuations presented in the USD-like currencies are supported. The USD-like currencies refer to USD itself and the stabled cryptocurrencies that are pegged with USD. Art de Finance manages the list of USD-pegged stable cryptocurrencies allowed in the platform and is responsible for monitoring to minimize the possible risks that would be posed to the platform users.

4.3.1 THE FLUX / Auction System

The Art de Finance Marketplace/Auction System is a space for trading arts that have been properly registered, validated by the community in the Artiside Social Curation platform. Users can sell or purchase the NFTs and the ownerships of underlying physical and digital arts

Owners can decide to list the items to sell at either a fixed price or at an auctioned price.
In the auction system, the owner can set the duration for the auction and others cannot change. Starting price for the auction is 80 percent of the fixed price, which cannot change. Minimum bidding must be at least 5 percent greater than the previous price.

On an occasion where the listed item is also being used as collateral in the lending system, the relevant information should be provided to the potential buyers in an easily browsable manner. If default occurs and a subsequent liquidation process is initiated by the lending system, the control of sales is automatically transferred to the liquidation system (see the next section on the lending system).

After the purchase, if the NFT is associated with a physical item, the new owner can directly contact the partner gallery to transfer ownership of the physical item. The ownership transfer needs to be requested before the expiration of the storage contract which can be found in the registration information. The new owner can decide to retrieve the physical item or create a new storage contract and continue to stay in the system.
After the non-liquidation sales, the profit is distributed among the 1) Artist, 2) Seeders, 3) Patron and 4) ADF platform. After the sales occur as part of the liquidation process, the portion of the profit otherwise reserved for the owner will be fairly distributed to the lenders regarding their lending shares.

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Sales Process (at Fixed price)

I. The Artist decides to sell at a fixed price.

II. The Artist can set the sales price.

III. Collectors can purchase an item at the listed price and sign the transaction.

IV. The NFT will be transferred directly to the buyer.

V. Sales profit will be shared among the 1) Artist, 2) Seeders, 3) Patron and 4) ADF platform.

VI. The mirror NFT and a physical AC ownership can be transferred if the new owner proceeds to contact the partner gallery.

Sales Process (at Auction)

I. The Artist decides to sell at an auction.

II. The Artist sets the duration for the auction. Duration can be one day, three days, or seven days. Upon setting the duration, the auction will start at the price artist decided.

III. Collectors can participate in the auction by bidding at a price at least 5 percent greater than the previous price.

IV. Auction will end when the duration is concluded, and the highest bidder will win the auction.

V. The NFT will be transferred directly to the winner.

VI. See Sales Process (at Fixed Price) Steps 5 and 6 for further details of the sales process.

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4.3.2 Collateralization / Lending System

The Artist of an artwork — either physical or digital — registered in the Artiside social curation platform, can utilize their items as collateral for borrowing USD-like cryptocurrencies (see the definition of the USD-like cryptocurrency above). The borrowers can expect to get a loan amount (LTV: Loan to Value) of approximately 50 percent to 60 percent of the asset's curated value, with interest rates ranging from 20 percent to 100 percent per annum, depending on the item's popularity.

The Art De Finance lending protocol facilitates the trustless, decentralized matching of borrowers and lenders. Structured digital signatures are used to validate loan term attestations as part of the lending protocol.

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Borrowers can access liquidity against their assets without selling them. For both NFTs and AC holders, if a large percentage of the portfolio is locked up in these illiquid assets, borrowers can use the Art de Finance platform to finance other investments without selling their assets.

The collateralized lending system in the Art de Finance Defi platform in combination with the auction system in the same platform provides a unique opportunity to utilize the ownership of an artwork, either physical or digital, as collateral while being listed on the sales market. To our best knowledge, there is no such marketplace/lending platform serving the same functionality yet.

To use collateralized lending in the platform, a borrower needs to set 1) the target utilization of the collateral compared to the curation price, 2) the interest rate, and 3) the duration of the loan. The target utilization cannot be greater than 50 percent. This information is provided and actively updated to the potential lenders. The borrower should deposit an interest amount that is large enough to cover the total interest accumulated for the entire duration of the lending under the saturated target utilization.

The borrower also needs to set the type of the lender: 1) crowd lenders or 2) a single P2P lender. At the end of the lending period, if the borrower fails to pay back the loan, a liquidation process is initiated. In the case of the crowd lenders, the item is listed on the auction system at 100 percent of the valuation price for a week. If the sales fail within this period, the posting price decreases by 10 percent for each week until the sales are completed. In the case of a single P2P lender, the lender can proceed with the liquidation procedure.

Lending Process

I. A borrower prepares a NFT through the process of registration as described in the previous sections.

II. The borrower submits a loan request by specifying the target utilization, interest rate, duration of the loan, and type of lending.

III. The borrower deposits the interest.

IV. As a lender signs the contract, a loan amount becomes immediately available in the borrower's account.

V. For the P2P lender case, as soon as a single P2P lender sign the contract, no more lenders can join. Meanwhile, for crowd lending, the lending is available until the target utilization is saturated.

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VI. Every day, the fixed interest rate is accounted for by each lender. The interests of the loan become immediately redeemable by the lenders and the interest deposit made by the borrowers decreases accordingly.

VII. As soon as the total principal of the loan is returned by the borrower, the lending contract terminates, and the remaining interest deposit returns to the borrower's account.

VIII. If the borrower fails to pay back the loan at the end of the lending duration, the liquidation process starts (see below).

Liquidation Process

I. As the liquidation process is initiated, the sales posting of the item listed in the marketplace/auction system is removed and the control of sales posting is transferred to the liquidation system.

II. In the case of crowd lenders, the item is posted on the auction system at 100 percent of the valuation price for a week. If no auction deal is made, the item is re-posted for another week with the 10 percent decreased posting price, and so on.

III. In the case of a P2P lender, the lender can decide whether to proceed with the liquidation process as with the crowd lenders' case.

IV. After a successful liquidation, the portion of the purchased price otherwise assigned to the owner (i.e. 20 percent) is fairly distributed among the lenders, based on their lending share.

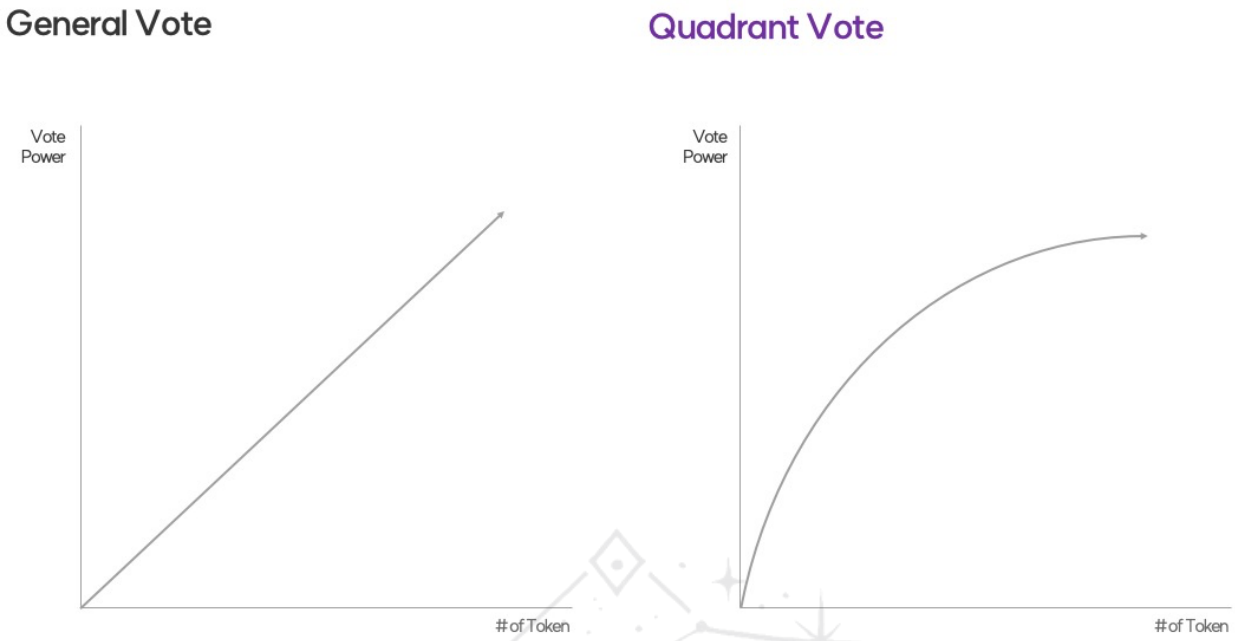
4.3.3 Art de Finance Governance Voting

Currently, a large number of Web 3.0 protocols have constituted an environment in which anyone can participate but fundamentally does not solve the centralization of governance tokens. Art de Finance plans to introduce and operate 'Quadrant Voting' to solve these problems and build Artiside, a decentralized Web3.0 Social NFT Platform.

Quadrant Voting is a solution for decentralization without compromising the utility inherent in tokens. It enables democratic governance decisions and encourages participation in governance by various community members and the Art de Finance Governance voting is restricted to non-financial matters. Artiside is building a platform where anyone can express their decision-making without restrictions on the purchasing power of tokens.

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ADF works as a Governance Token to make decisions in the platform including the following but not limited to.

1. The number of Artistar seats
2. Change of Voting rule
3. Decisions on Art de Finance De-Fi Protocol
4. Change of the validation staking reward rate
5. Other non-financial decisions

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5. Token Economy

The launch of Art de Finance will generate a new era in Web3-driven Art and NFT where all participants can transform traditional art markets by digitalizing (NFT) and providing liquidity. For such progress to take place, ADF Web 3.0 Social Curation will be a key factor in Art de Finance's success. It will have the opportunity to shape the direction of asset valuation and the direction of the protocol's core tokenomics. The Web3 community needs to be seeded with an initial distribution and fair drop for ADF DAO to operate.

ADF Utilities

- Registration Fee
- Seeding
- Red Label
- Platform Governance Voting
- Live Streaming Voting
- Access to the ADF Platform Service and Events
  - a. Limited Edition Events
  - b. Exclusive Offline Exhibitions
  - c. Fee Discount on Platform Services
  - d. NFT Whitelisting

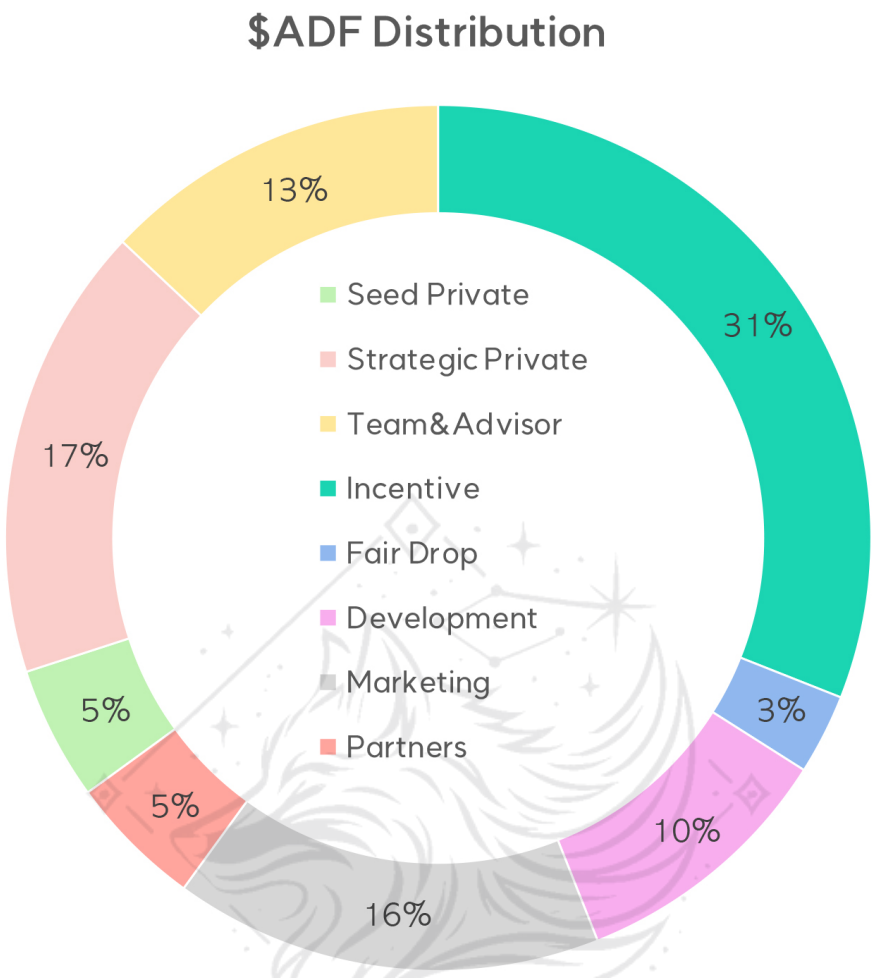
Token Supply Schedule

Art de Finance will have an initial released supply of 90 million ADF at genesis. With 1 billion total supply. It has been carefully ideated with multiple simulations to facilitate long-term growth in the ecosystem. The total distribution plan is broken down into following categories:

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*$ADF cannot be used for purchasing artworks

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1. Investors (22%) 220,000,000 : Token allocation for ADF's Seed (5%) and Strategic (17%) investors who helped to financially bootstrap the project and supporting the overall Art de Finance Ecosystem.

2. Team & Advisor (13%) 130,000,000 : Team and Advisor tokens will be gradually unlocked to secure the long-term success of the project and facilitate the continual expansion.

3. Incentive Fund (31%) 310,000,000 : Overall Rewards for the Art de Finance platform community and active users.

4. Marketing (16%) 160,000,000 : To increase the awareness of Art de Finance via various marketing and sales activities.

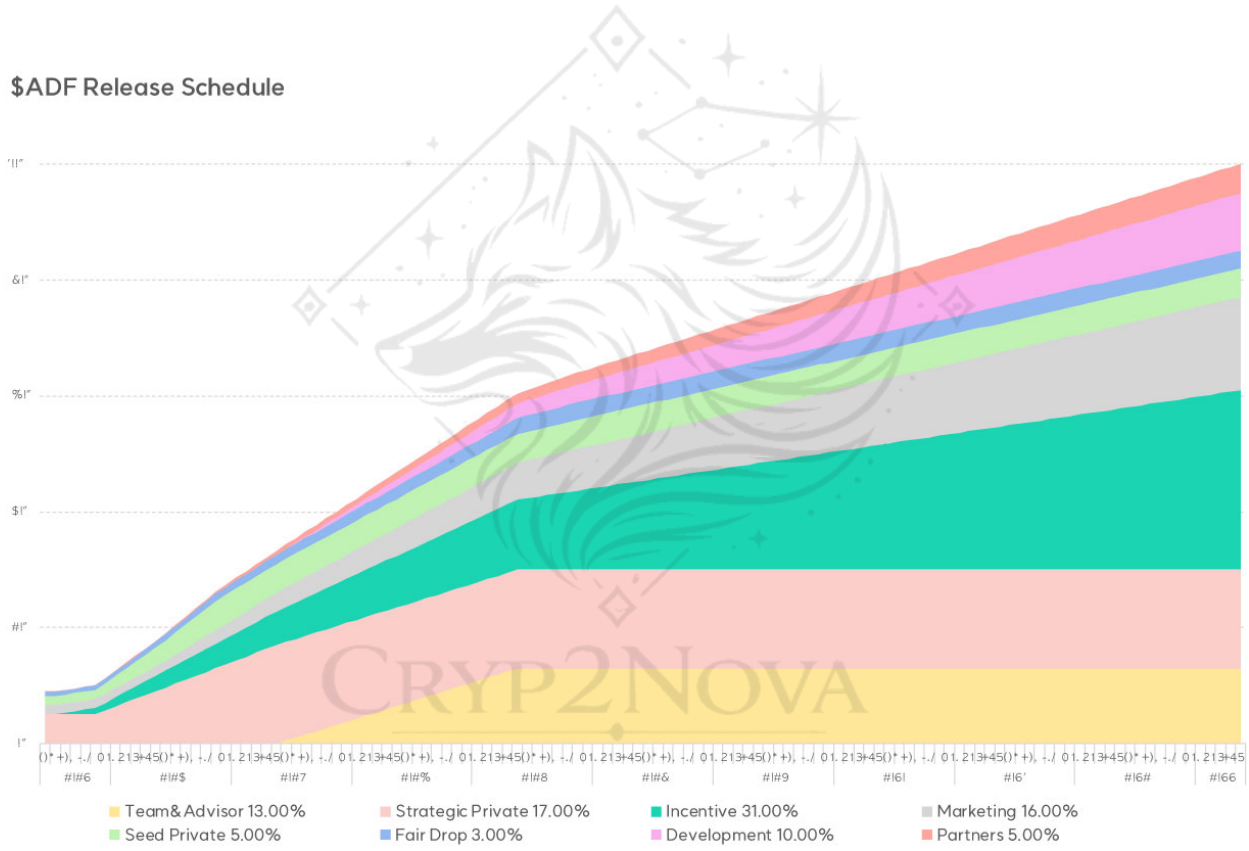
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5. Development (10%) 100,000,000 : The Development tokens are allocated for various Art de Finance R&D programs to maintain the growth of the platform

6. Partners (5%) 50,000,000 : This portion is distributed to partner companies related to Art and Blockchain industry that have joined the Art de Finance platform or overall ecosystem.

7. Fair Drop (3%) 30,000,000 : As mentioned earlier, the token supply will include fairdrop to Web3.0 users.



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6. Roadmap

2022

- Art de Finance AG Incorporation
- Busan Official NFT Marketplace
- Token sales (Private)
- ArsHexa Art Hub Project MoU

2023

1Q
- Art de Finance Website Launch
- Token Sale
- Marketplace Update
- Gallery Partnership

2Q
- Partner Artist Onboarding
- White Paper
- Token Issuance(April)
- Token Contract Audit
- Staking Service Launching
- ArtDAO Marketing Partnership

3Q
- Artiside Service Testnet Launching
- Incentive Testnet Bug Bounty Program
- Artiside Service Official Service Launching
- Community Gift Event (Airdrop)
- Governance Protocol Launching

4Q
- Major Gallery Partnership and Onboarding
- Art de Finance Streaming Service Launching
- Global Art Fair Partnership and Onboarding

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2024	1Q	Multichain Integration Mobile App Launching Art Dubai Streaming Tour
	2Q	ART Financing Service Testnet Launching ADF History Dashboard Launching
	3Q	Emerging Artist LaunchPad DOCENT Function Integration
	4Q	ART Financing Official Service Launching

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Appendix

Terms & Definitions

1. **Patron** : $ADF token holders.
2. **Seeding** : All artists registered on the platform can participate in the Seeding pool. However, only selected artists can be sponsored so that artists selected by the community can receive support from the community. Staking reward goes to Artistars as form of contribution.
3. **Artistar** : Artist selected by Seeders (Star Artist)
4. **Seeder** : Stakers who participated in Seeding
5. **Red Label** : $ADF tokens can be donated to art works of their interest by using $ADF, Art de Finance token linked to your wallet.
6. **Like** : All users who visit the platform including Patron can click the Like button on the artist page they like, and there is no need for a separate fee or integration to their wallet
7. **Fellowship** : Reference to a program in which an incentive is given when artists already onboarded to Art de Finance recommend another artist.
8. **Art de Finance** : The main platform for building the art infrastructure that can serve as a bridge between physical art and digital art.
9. **Artiside** : A Web 3.0 Social Art Platform that includes functions such as Seeding and Red Label that are being developed by Art de Finance.
10. **Certificate Of Authenticity NFT** : A concept that enables digital transactions by recording guarantees for physical arts in the form of NFTs on the blockchain.
11. **Subscription Service** : An all-in-one artist marketing platform including promoting and selling artworks to form a community. Artists who have subscribed to the service can focus more on their work, and the platform can build a sustainable environment.
12. **Storage** : A storage for storing actual works of art that have signed a partnership agreement with Art de Finance, and it provides management services in regard to temperature, humidity, and security.
13. **Registration fee** : An initial one-time fee is required for an artist to publish an artwork through the platform and to utilize the service. There is no charge for minting thereafter. However, physical arts NFTs do incur subsequent fees.

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Digital Renaissance

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